

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-207-E**

IN RE:

Friends of the Earth and Sierra Club,)	SCE&G'S ANSWER
Complainant/Petitioner v. South Carolina)	TO COMPLAINT/PETITION OF
Electric & Gas Company,)	FRIENDS OF THE EARTH AND
Defendant/Respondent)	SIERRA CLUB
_____)	

South Carolina Electric and Gas ("SCE&G") hereby answers the Complaint/Petition as follows. In so answering, SCE&G does not waive, but instead specifically reserves all rights and defenses available to it, including all arguments presented in its Motion to Dismiss.

1. The answer is filed under 10 S.C. Code Ann. Reg. 103-826.
2. As required by 10 S.C. Code Ann. Reg. 103-189(A), the person by whom such pleading is filed is South Carolina Electric & Gas Company ("SCE&G"), whose address is:

220 Operation Way
Cayce, SC 29033-3701

3. As required by 10 S.C. Code Ann. Reg. 103-189(B), the authorized representatives of South Carolina Electric & Gas Company are:

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4. All matters not specifically admitted are hereby denied.

5. SCE&G incorporates into this answer by reference all defenses and arguments contained in the Motion to Dismiss filed on its behalf in this docket.

6. SCE&G does not believe that any answer is required to the preamble paragraph to the Complaint but nonetheless asserts that the relief requested is not legally authorized nor is the matter ripe for Commission determination for the reasons stated in its Motion to Dismiss.

7. Responding to Paragraph 1 of the Complaint, SCE&G admits the allegations concerning the corporate structure and principal place of business of Friends of the Earth and that certain members of Friends of the Earth are SCE&G customers. SCE&G lacks information necessary to reach a conclusion as to the remainder of the allegations related to members and their activities, and therefore denies the same on information and belief. SCE&G denies the remaining allegations of Paragraph 1 of the Complaint.

8. Responding to Paragraph 2 of the Complaint, SCE&G admits the allegations concerning the structure the Sierra Club and principal place of business of the Sierra Club and that certain members of Sierra Club are SCE&G customers. SCE&G lacks information necessary to reach a conclusion as to the remainder of the allegations related to members and their activities, and therefore denies the same on information and belief. SCE&G denies the remaining allegations of Paragraph 2 of the Complaint.

9. Responding to Paragraph 3 of the Complaint, SCE&G specifically denies that it is under any obligation to seek additional Commission approval before expending capital on construction projects for which it has received an unconditional, valid and unappealable

certificate of environmental compatibility and public convenience and necessity from the Commission and admits that it is continuing to incur capital costs on the construction of the two Westinghouse AP1000 nuclear units that it is constructing in Jenkinsville, S.C. (the "Units") under the certificate granted in Order No. 2009-104(a). SCE&G denies the remaining allegations of Paragraph 3 of the Complaint.

10. Responding to Paragraph 4 of the Complaint, SCE&G is unaware of any such assertions made as represented in this paragraph and denies that it has made any such assertions.

11. Responding to Paragraph 5 of the Complaint, the transcript of the allowable ex parte briefing speaks for itself. SCE&G denies that there is no construction schedule for the project, admits that the current schedule is under review, admits that it is continuing to fund construction, admits that cost and construction schedules which are under review are subject to revision; admits that the cost of construction has been generally estimated in certain past period to be approximately \$120 million per months, denies that it has adopted new in service dates for the Units, denies that the project is only 34.3% complete but would show that when all aspects of the project are taken into account, including equipment and module fabrication, engineering and procurement, the project is in excess of 65% complete. SCE&G denies the remaining allegations of Paragraph 5 of the Complaint.

12. Responding to Paragraph 6 of the Complaint, Order No. 2016-794 speaks for itself and SCE&G denies any attempt to characterize the terms of that order. SCE&G admits that the bankruptcy of the Westinghouse Electric Company, LLC ("WEC") makes SCE&G's ability to enforce the fixed price provisions of the Engineering, Procurement and Construction Agreement with WEC unlikely going forward. SCE&G denies the accuracy or reliability of the

Morgan Stanley analysis, which by its own admission was based on limited factual information. SCE&G denies the remaining allegations of Paragraph 6 of the Complaint.

13. SCE&G denies the allegations of Paragraph 7 of the Complaint related to electric rates on information and belief and denies the other allegations of Paragraph 7.

For a First Defense: Failure to State a Claim

14. The foregoing matters are realleged.

15. The claims in this proceeding are barred by the Base Load Review Act, S.C. Code Ann. §§ 58-33-210 *et seq.* specifically including without limitation S.C. Code Ann. § 58-33-275(B).

16. The claims in this proceeding are barred by the Utility Siting and Environmental Protection Act, S.C. Code Ann. §§ 58-33-10 *et seq.* and the Commission's issuance of a certificate for construction of the Units in Order No. 2009-104(A).

17. Complainant has failed to state any claim on which relief may be granted as a matter of law.

For a Second Defense: Ripeness and Judiciability

18. The foregoing matters are realleged.

19. Complainant has failed to state any claim which is ripe for administrative review or justiciable at this time.

For a Third Defense: Res Judicata and Estoppel

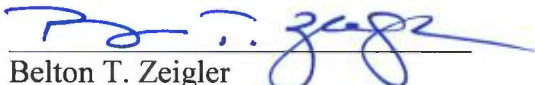
20. The foregoing matters are realleged.

21. Complainant's claims are barred by res judicata and collateral estoppel in light of the prior Commission rulings and proceedings on these matters including those in which

Complainants participated as parties. The proceedings and rulings are all referenced in the Motion to Dismiss that SCE&G has filed in this docket and incorporated herein by reference.

WHEREFORE, having fully answered the Plaintiffs' Complaint/Petition, the Defendant prays that the Complaint/Petition be dismissed with prejudice and for such other relief as the Court deems just and proper

Respectfully submitted,


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Attorneys for South Carolina Electric & Gas
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Columbia, South Carolina
July 19, 2017

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Electric & Gas Company,)
Defendant/Respondent)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one copy of SCE&G's Answer to Complaint/Petition of Friends of the Earth and Sierra Club to the persons named below at the addresses set forth via U.S. First Class Mail and electronic mail:

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Columbia, South Carolina
July 19, 2017


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